

VZCZCXRO6236  
PP RUEHDE RUEHDH RUEHDIR  
DE RUEHDO #0128/01 0500451  
ZNY CCCCC ZZH  
P 190451Z FEB 09  
FM AMEMBASSY DOHA  
TO RUEHC/SECSTATE WASHDC PRIORITY 8756  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY  
RUEHHH/OPEC COLLECTIVE PRIORITY  
RUEHTA/AMEMBASSY ALMATY PRIORITY 0020  
RUEHBD/AMEMBASSY BANDAR SERI BEGAWAN PRIORITY 0008  
RUEHLP/AMEMBASSY LA PAZ PRIORITY 0016  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0293  
RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 0009  
RUEHTRO/AMEMBASSY TRIPOLI PRIORITY 0029  
RUEHWR/AMEMBASSY WARSAW PRIORITY 0035  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RHMFISS/DEPT OF ENERGY WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 DOHA 000128

SIPDIS

E.O. 12958: DECL: 02/18/2019

TAGS: [ENRG](#) [EPET](#) [EINV](#) [ETTC](#) [PREL](#) [QA](#) [IR](#) [RU](#) [EK](#) [BL](#) [VE](#)

PL

SUBJECT: QATAR BELIEVES USG IRAN POLICY HURTING DOHA'S GAS INTERESTS

REF: A. 2008 DOHA 811

[1](#)B. DOHA 27

DOHA 00000128 001.2 OF 002

Classified By: Amb. Joseph LeBaron for Reasons 1.4 (b) and (d).

-----  
(C) KEY POINTS  
-----

-- Qatar is aware of U.S. sanction laws on Iran, Energy Minister Al-Attiyah told visiting EEB DAS Doug Hengel. Al-Attiyah complained that the U.S. should not let politics influence business and said Qatar had never intervened in U.S. politics.

-- Al-Attiyah sees the Gas Exporting Countries Forum functioning like a club with no real impact on gas market dynamics. Qatar pursued the secretariat for Doha to avoid it being established somewhere that could negatively impact Qatar's interests.

-- He dismissed the idea that the gas markets are developing in ways which would allow cartel-like behavior.

-----  
(C) COMMENT  
-----

-- Significantly, Al-Attiyah did not mention that many of Qatar's long term LNG supply contracts include a provision that permits Qatar to divert supplies to the spot market if spot prices rise far enough above the long-term contract price.

-- Al-Attiyah is quick to dismiss the notion that the gas market could develop in ways which would allow price or supply manipulation in the short-term. His remarks do not totally ring true, however, as Qatar clearly thinks there is some value in talking to other major gas exporters about how to increase coordination.

-- Al-Attiyah obviously resents U.S. laws/sanctions on Iran, particularly because he perceives them as political meddling in a business issue. Despite his concurrent title of Deputy

Prime Minister, Al-Attiyah is personally focused almost exclusively on only the business aspects of the energy industry, and how to make the most money for Qatar.

End Key Points and Comment.

11. (C) EEB DAS Doug Hengel met February 16 with Minister of Energy and Industry Abdullah Bin Hamad Al-Attiyah. Also attending the meeting for Qatar were Minister of State for Energy and Industry Dr. Mohammad Al-Sada, Minister Al-Attiyah's Office Director Abdulaziz Al-Malki, and QP Director of Oil and Gas Ventures Saad Sherida Al-Kaabi. Attending for the USG were Ambassador and Econoff Fabrycky.

-----  
Iran: Don't Mix Politics with Business  
-----

12. (C) When Iran and the Iran Sanctions Act were raised by DAS Hengel, Al-Attiyah demurred and clearly tried to avoid talking about any specifics of the issue. As he had with Ambassador in November (Ref A), Al-Attiyah cited Qatar Petroleum's problems with U.S. laws on Iran vis-a-vis spare parts for Gulf Helicopters, which had been using Bell Helicopters before it switched to Augusta (an Italian company) to avoid having to resupply via the U.S. Al-Attiyah complained that the U.S. should not let politics influence business and said Qatar had never intervened in U.S. politics. He concluded by noting that many American companies are "unhappy with the State Department" due to USG regulations on Iran-related contacts.

13. (C) Note: In a separate meeting on February 18, Qatar Petroleum International CEO Nasser Al-Jaidah said that the

DOHA 00000128 002.2 OF 002

proposal for a joint venture with Iran was an idea "from the top about how to neutralize Iran" (i.e., senior Qatari leadership's attempt to deal with Iranian pressure on Qatar). Al-Jaidah said there is no active deal, just a concept which, in his opinion, will never see reality. End Note.

-----  
Qatar's Contracts More Important than Any "Troika"  
-----

14. (C) Asked by DAS Hengel about Qatar's intentions in its public cooperation with Russia and Iran, Al-Attiyah responded by citing Qatar's key role in supplying Asia, Europe, and North America, and reiterated that Qatar does not mix business with politics. He said Russia is "a different story." Pressed by the Ambassador on how public statements regarding a Russia-Iran-Qatar gas troika suggest collaboration, Al-Attiyah claimed the troika concept is an idea pursued by the press, and "the truth of the business is to end up with contracts" (i.e., successful individual country efforts are paramount to any multilateral collaboration).

-----  
Limited Market Role for Gas Exporting Countries Forum  
-----

15. (C) Al-Attiyah claimed Washington should not be concerned by the Gas Exporting Countries Forum's (GECF) recent initiative to strengthen its organization and establish a secretariat. Referring to the December 2008 meeting in Moscow, Al-Attiyah said Qatar pushed Doha as the location for the secretariat because he "was concerned about the other places the headquarters could be." Moreover, he said Qatar is working within the group to keep gas issues separate from politics. He criticized Russia for trying to rig the December vote on the headquarters location by quickly making Equatorial Guinea a voting member, when that country had only come to the meeting as an observer. Al-Attiyah claimed that Egypt voted for Qatar as the location but Bolivia and

Venezuela both voted for Russia.

¶16. (C) Al-Attiyah denied, as he has previously, that the GECF has any cartel-like intentions or even capabilities. Although spot sales are growing, Al-Attiyah claimed it would take 30-40 years for a significant spot market to develop, and in the meantime long-term contracts would continue to set market dynamics. Al-Attiyah sees the forum as functioning in the near term "like a club," with a focus on developing technology and investment opportunities.

-----  
Qatar Hosting EITI Conference to Help Clean-up Industry  
-----

¶17. (C) Al-Attiyah noted that Qatar is considering becoming a candidate country for the Extractive Industries Transparency Initiative (EITI). (Note: Qatar is currently hosting the 4th EITI conference in Doha, though it has not publicly announced any intention to join the EITI.) The Minister said he is supporting the conference as part of an effort to push the GOQ to improve its transparency. Moreover, Al-Attiyah claimed that Qatar wanted to "invite the worst of the worst" to help try and clean up the energy industry worldwide.

-----  
Europe Needs More LNG Terminals  
-----

¶18. (C) In passing, Al-Attiyah noted that he is advising European countries, particularly Germany, to build more liquefied natural gas (LNG) receiving terminals to help with supply security issues. Qatar is also in "serious discussions" with Poland on gas exports and construction of a terminal there (NFI).

¶19. (U) DAS Hengel has cleared this cable.  
LeBaron